

FORT WORTH STOCKYARDS

A DIVISION OF UNITED STOCKYARDS CORPORATION

FORT WORTH 6, TEXAS

May 19 1952

Mr. Amon G. Carter
Fort Worth

Dear Amon:-

Senator Lyndon Johnson and Walter Jenkins have been furnished with letters, phone calls, affidavits and other material and are familiar with the controversy between the U.S. Department of Agriculture and the sheep producers as to the classification of lambs. For nearly forty years a satisfactory system has been used that under the O.P.S. compulsory system of changing will cost the sheep men of Texas several millions of dollars.

Last Thursday Wyatt Adams, Assistant Supervisor of Meat Grading, U.S. Department of Agriculture met a group of sheep men, commission men and others here, probably as a result of the Senator's investigation. Adams gave the group a real fast ~~HEX~~ bureaucratic brush off, about the worst that any of those present have ever seen. He said that his interpretation of the rules was right, that it could not be changed except by extensive hearings that might take six months.

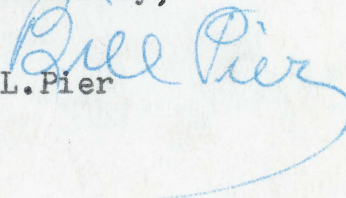
Ernest Williams, Secretary of the Texas Sheep & Goat Raisers Assn. (representing 8,000 growers) and Dick Alexander of Blanket, Texas a large sheep producer are to meet with the Senator at ten o'clock Tuesday May 20th.

The enclosed gives you the names of those at our meeting here and other data and I was asked to request you to phone the Senator and if you care to say to him that in your opinion this great industry in Texas with seven million sheep has a just complaint and that it will appreciate anything that he can do to get the matter properly appraised by Secretary Drannan and the OPS officials. We are now in the midst of marketing last years lambs and quick action is needed for relief to those who produce meat, wool and who have suffered much from the drouth and high priced feed. These cant be helped but there should be some way to stop tremendous unnecessary losses because of the smart alec attitude of some pint sized, conceited ass in Washington.

Thanks for what ever you may do. Have the call charged to our phone Market 3101.

Sincerely,

W.L. Pier



Meeting at Fort Worth
May 15, 1952
Radio Room, Livestock Exchange Building.

Producers Present:

John Williams, Sanderson, Texas, president Sheep & Goat Raisers Ass'n.
Ernest Williams, San Angelo, Texas, secretary Sheep & Goat Raisers Ass'n.
Dick Alexander, Blanket, Texas, rancher and feeder.
Earl Byrd, Coleman, Texas, rancher and feeder.
Clayton Puckett, Fort Stockton, rancher, past president of Sheep & Goat Raisers Ass'n.
Edwin Mayer, Sonora, rancher.
Harry Curtis, Brady, Texas, rancher.

USDA Representatives Present:

Wyatt Adams, assistant national supervisor of meat graders, Washington.
R. Vance Graham, officer in charge meat grading service in Texas.
James Gibson, assistant officer in charge meat grading in Texas.
W. C. Ball, administrative officer Packers & Stockyards Administration.
Jack Jenning, assistant in P. & S. Administration.
Warren Smeby, officer in charge market news service at Fort Worth.

Fort Worth Market Men Present:

W. L. Pier, manager Fort Worth Stockyards.
W. L. Joyce, assistant manager Fort Worth Stockyards.
Walter Rice, fieldman, Stockyards company.
Ted Gouldy, manager Fort Worth Livestock Market Institute.
W. A. King, head of livestock department Fort Worth Chamber of Commerce.
Roy Boswell, manager Texas Livestock Marketing Ass'n.
Carroll Farmer, sheep salesman and order buyer, John Clay & Co.
John Gahr, order buyer and dealer.
R. E. Bramlett, sheep salesman, Daggett-Keen Com. Co.
Jack Shaw, order buyer and dealer.
Wallace Johnston, order buyer and dealer.
Thad Boswell, salesman, Cassidy Com. Co.
Bob Chandler, salesman and order buyer, Texas L.S. Mktng. Ass'n.
Harold Newman, order buyer, W. Y. Farrell & Co.
W. Y. Farrell, order buyer and dealer.
Clint Shirley, salesman, Shirley Com. Co.

Information Given by Wyatt Adams.

1. Mr. Adams reported Meat Grading Service has "certain specifications for grading "lambs", "yearlings" and "sheep". They can not and will not grade them otherwise.

2. Stated that until OPS took over "very few" packers used meat grading service. Admitted USDA specifications were not in general use by the trade.

3. Said specifications were prepared in 1931, had been revised twice.

4. Asked a direct question as to what was meant by "conformation" of the carcass (an important factor in the USDA specifications) Mr. Adams told the group it was the same thing as if a "beautiful, well built girl walked down the street. You would see it and like it." That was his definition of conformation.

5. Asked if he would, on the basis of the situation reported to him, feel that he could go back to his superior officers with a recommendation some relief be instituted, Mr. Adams said "I have nothing to say".

6. Repeated questions as to whether he could suggest any means of getting relief drew the same answer, "no comment".

7. Asked if he were called in by his superiors and asked to make recommendations relative to righting this inequitable situation, if he would speak in favor of changes to again put new crop and old crop lambs back into their traditional price relationship -- Mr. Adams declined to answer.

8. Asked if USDA Meat Grading Service specifications were used during World War II under the old OPA -- Mr. Adams declined to answer.

9. Asked why five month old lambs could possibly be graded "yearlings" by the government meat graders -- Mr. Adams said they had their specifications to go by.

10. Mr. Adams told the group that no one had any authority to take any action in this matter except Secretary Brannen and it would take months to conduct hearings, etc., in the matter.

Information Given by Producers and
Market Representatives.

1. This year old crop lambs, due to the grading system now in use, are selling \$3 to \$5 cwt. below new crop lambs. For past 30 years or more they have traditionally sold \$1 to \$2 under at this time of year.
2. This is below cost of production of these old crop lambs.
3. Many sheep producers are already in desperate financial straits.
4. Buyers of old crop lambs during past season are losing heavily, at some markets yearling lambs are discounted \$5 and yearling ewe lambs discounted \$7 under lamb price. Specific instance reported in USDA market report from Omaha May 13, 1952.
5. Order buyers report trade at standstill, with prospective buyers offering \$15 to \$17 cwt on old crop lambs offered at \$20 to \$22.
6. Such a price in the face of high operating costs, unusual and excessive feed bills due to the drouth, will break producers.
7. End result of the disastrous price would be loss of meat production, loss of wool production, and eventual severe shortages of these items for the Nation.
8. Comparative prices for several years were presented which revealed the traditional relationship between old crop lamb price and new crop lamb price was \$1 to \$2 cwt, instead of the present \$3 to \$5 or more spread.
9. This situation has developed only since compulsory grading of old crop lambs under USDA Meat Grading Service specifications was instituted under application of OPS rules.
10. For 30 to 40 years the industry has graded old crop lambs and yearlings by the "break joint" method. This has been satisfactory to producer, packer and consumer.
11. Aversion of the meat trade to buying carcasses branded "yearling" was reported and price for this meat is currently 12 to 14 cents below ceiling, and 16 to 18 cents below "lamb" price.
12. The above spread in old crop and new crop lambs is effective only under conditions which permit packers to buy old crop lambs in load lot numbers. Where old crop lambs have to be slaughtered locally the spread is often \$7 to \$10 cwt.
13. Under application of USDA lamb specifications, as interpreted and applied at Fort Worth, even new crop lambs actually five months old have been branded "yearling" by the government meat graders.

Summary of Industry Representatives
Conclusions:

1. Under present grading system prices of new crop lambs and old crop lambs have drifted \$3 to \$10 apart.
2. This "spread" compares with the traditional price relationship of a \$1 to \$2 spread.
3. Under present grading program sheep feeders are losing millions of dollars, a situation that will demoralize prices of feeder old crop lambs in the coming months even more.
4. The industry has for 30 or 40 years graded old crop lambs under the "break joint" system. It has been satisfactory to producer, packer and consumer and created a stable market.
5. Under the present grading program old crop lambs bred and raised together are being graded differently. Old crop lambs who had the same sire, were born at the same date, handled in identical fashion, are falling into classifications that result in carcass values with differentials of \$16 to \$18 cwt in the meat trade.
6. There can be no possible difference in the eating qualities of this meat.
7. The resultant chaotic conditions mean bankruptcy for feeders as well as growers.
8. Present prices do not represent cost of production.
9. USDA Meat Grading Service specifications are unrealistic and do not follow accepted practices in the trade. Are not accepted or are not acceptable to the industry and are therefore never used except when under compulsion, or in a small percentage of cases where buyers request USDA grading.
10. The "break joint" system is the traditional means of grading old crop lambs and yearlings. It is fair and has been accepted as fair by all interests in the sheep and packer industry and has been suited to consumer demand.
11. The Nation's supply of wool, as well as meat, will be sharply curtailed if the present grading system is maintained.